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**AG SLATERY RECOMMENDS HELP FOR HOMEOWNERS AFFECTED BY COVID-19**

*Bipartisan coalition of 35 attorneys general suggests actions to deal with unprecedented disruption to the mortgage market*

Nashville – Attorney General Herbert H. Slatery III and a bipartisan coalition of 34 attorneys general are recommending actions to help homeowners through the COVID-19 pandemic in letters sent Thursday to the Federal Housing Finance Administration (FHFA) and the Department of Housing and Urban Development (HUD).

Click here to read the letters:

<https://www.tn.gov/content/dam/tn/attorneygeneral/documents/pr/2020/pr20-15-letters.pdf>

The coalition applauded federal efforts to suspend evictions and foreclosures, as well as expressed appreciation for additional forbearance and foreclosure relief provided by the CARES Act. The coronavirus-relief legislation, which was signed by President Trump on March 27, provides protections for homeowners whose loans are backed by Fannie Mae and Freddie Mac or other federal entities.

“We appreciate the federal actions thus far, but more must be done,” said General Slatery. “Protecting Tennesseans’ most important asset- their homes-is critical and these recommendations will help avoid delinquency and limit substantial strain on the mortgage servicing industry.”

As part of the CARES Act, FHFA and HUD have streamlined the process for borrowers affected by COVID-19 to access forbearance plans, which allow mortgage payments to be paused for a limited time. Currently, once the forbearance period ends, borrowers must either repay the missed payments in a lump sum or agree to a more permanent loss mitigation solution.

The letters make three recommendations:

1. FHFA and HUD should issue guidance revising their forbearance programs so missed payments are automatically placed at the end of the loan’s term.
2. FHFA and HUD should expand eligibility for disaster relief loss mitigation programs.



## Herbert H. Slatery III Attorney General & Reporter

3. FHFA and HUD should clarify that the moratorium on foreclosures and evictions applies to all aspects of the foreclosure or eviction process. That includes issuing pre-foreclosure and acceleration notices, posting or publishing any notices, filing or proceeding with motions beyond continuances, or taking any other foreclosure or eviction action during the moratorium.

The protection of the CARES Act applies only to federally backed mortgages, which make up approximately 62 percent of the mortgage market. Borrowers who are not covered should contact their mortgage servicer (the company to which they send their monthly payment) to determine whether it is offering any relief during the pandemic.

Joining General Slatery on the letters are the attorneys general from the following states and territories: California, Colorado, Connecticut, District of Columbia, Delaware, Florida, Hawaii, Idaho, Illinois, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Dakota, Vermont, Virginia, Washington, West Virginia, and Wisconsin.

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